

March 26, 2019

At the special meeting of the Board of Supervisors of Prince Edward County, held at the Court House, thereof, on Tuesday, the 26<sup>th</sup> day of March, 2019; at 5:30 p.m., there were present:

Pattie Cooper-Jones

J. David Emert

Llew W. Gilliam, Jr.

Robert M. Jones

Odessa H. Pride

Gene A. Southall

Jerry R. Townsend

James R. Wilck

Also present: Wade Bartlett, County Administrator.

Chairman Wilck called the special meeting to order as a budget work session.

In Re: Presentation of the County Administrator's Budget

Mr. Bartlett presented his FY 20 County Budget.

**INTRODUCTION**

*I am pleased to present to the Board of Supervisors my recommended budget for Prince Edward County for Fiscal Year 2020 (FY20). I look forward to feedback and questions from the Board as you consider my recommendations and make adjustments as you move through the budget process, eventually agreeing on a final budget. The development of the budget is the single most important function the County staff completes during any year. The budget is the County's chief decision-making document detailing both the revenue generation decisions of the Board and the allocation of those resources. I could not have presented the budget today without the help of the Judges, Constitutional Officers, School Superintendent, Department Directors and my staff in the County Administrator's office. I would like to thank each of them for their assistance.*

*The input provided by the Board of Supervisors during the initial budget planning meeting on February 5, 2019 served as the primary direction I followed in developing my recommended budget. The FY19 budget served as a starting point for the development of the FY20 budget. This meant past decisions by the Board were carried into FY20, specifically the spending reductions approved during the FY15 budget development process and the approved policy regarding funding outside organizations.*

*Before developing the FY20 budget I had to understand the current financial position of the County and project how that position may change during the course of the current fiscal year. In other words, what will Prince Edward's FY20 financial starting point be on July 1, 2019?*

### **FORECAST OF FY19 BUDGET RESULTS**

*Enclosure (1) is a chart of projected fund balances at the end of FY19 for our major budgetary funds. When totaling the funds together I predict the fund balance will increase by \$1,200,259 to slightly more than \$15 million. This is even after factoring in the expenditure of \$954,000 to place a new roof on the STEPS CENTRE. Some of the funds have restrictions on their use, either by legal restrictions or by past practice of the Board of Supervisors. Of that amount \$458,247 is contained in the School Cafeteria Fund and can only be used for costs associated with the operations of the cafeteria. The \$1,055,279 contained in the School fund will be used to cover an accrued payroll amount. An additional \$1,816,673 is found in the landfill construction fund which has historically been used to pay for the opening and closing of landfill cells. There is no mandatory requirement to pay such costs in cash, thus those funds are available for use at the discretion of the Board of Supervisors. It is predicted the Forfeited Asset Fund will contain \$60,162 and the Piedmont Court Services Fund will have \$401,152 at the end of FY19. The DARE fund is used to support anti-drug activities for children and the fund balance is from donations earmarked for the DARE program.*

*The Forfeited Asset Fund is legally restricted for law enforcement purposes only and the Piedmont Court Services Fund is used to support the regional delivery of services associated with that office. Assuming the cash in the four funds mentioned above cannot be used, the unrestricted cash balance for Prince Edward County at the end of FY19 is projected to be \$11,217,671. Historically, the County's cash balances decrease about 42% from the end of June until it hits its low point which is typically in September or October. Assuming cash needs will follow the same pattern, the County's cash balance will drop to about \$6.5 million sometime in September or October.*

*On top of the normal cash flow cycle we are in the midst of a major renovation project for the Courthouse and the former STEPS CENTRE and constructing a new building to house Social Services. The estimated cost of all of the projects could be between \$9 - \$10 million. Subtracting that expense means the County's cash balances would decline below the amount needed to absorb the normal cash decline in the fall before recovering once the real estate and personal property tax bills are mailed. The County will need to borrow at least a portion of the funds to pay for these capital construction projects. The County's financial consultant is reviewing the County's financial status and developing a recommended path forward to finance these projects. He will be presenting that plan to the Board during the budget review on a date to be decided.*

*The projected increase in the cash balance in the General Fund of \$866,194 is a combination of better than expected revenues and lower than expected spending. The General Fund is our primary source of revenue and supports the majority of all County operations. I project the General Fund will end FY19 with an estimated cash reserve of \$ 10,611,927.*

*General Property taxes are estimated to generate \$865,878 more than contained in the budget and are the main reason for the increase in the General Fund cash balance mentioned above. Collections of Personal Property taxes are predicted to exceed the budget by almost \$610,000 and is the primary reason for this positive outcome. This result is a combination of used cars holding their value, citizens buying more new cars than usual and increased collections of delinquent accounts by the Treasurer. The increased efforts involving collecting delinquent accounts will also result in the collections of Penalty and Interest to exceed the budgeted amounts by over \$141,000. Real Estate tax collections will exceed its budget by more than \$90,000 but collections of Merchants Capital Tax will be more than \$48,000 less than budgeted. Revenues from the Local Sales tax will exceed the budget by \$150,00 due to the strong economy and collections of Fines & Forfeitures will exceed budgeted amounts by \$38,000 as the result of enforcement actions by the Sheriff. Revenues from the state associated with the Child Services Act (CSA) should be approximately \$340,000 less than the original budget. But this reduction in revenue is more than offset by a reduction in CSA*

expenditures of \$628,156 with the end result being a savings in local expenditures of almost \$213,000.

Expenditures in the General Fund are forecast to be about \$1.5 million less than budgeted. The savings in CSA of \$628,156 was by far the largest area of savings. Other significant savings were the transfer to the Solid Waste Fund (\$311,000) and lower than expected Jail expenditures (\$210,000). As is the case every year department directors and Constitutional Officers held the line in spending and most departments are projected to under spend their budgets.

## **FY20 BUDGET**

For FY20, the recommended budget for all funds is \$57,614,375. The budget is balanced, and as directed by the Board of Supervisors this was accomplished with no increase in tax rates or use of the General Fund Fund Balance. Reduced budgets for the Jail (\$100,000), CSA (\$100,000) and Legal (\$94,000) combined with increased revenues from Property Taxes (\$435,000), Sales Tax (\$170,000), increased rental income (\$134,150) and state revenues (\$55,000) allowed this positive result.

There are significant expenditure items not contained in the FY20 budget. These are the costs associated with the Courthouse renovations, the interior renovations at the STEPS CENTRE and the construction of the new building for Social Services. As mentioned above how best to fund these items will be discussed with our financial advisor during the budget development schedule.

After adjusting for the non-cash expense of depreciation, to balance the water and sewer funds required the transfer from the General Fund of \$236,048 to the water fund and \$88,086 to the sewer fund. The Welfare Fund (Social Services) will require the transfer of \$595,000 from the General Fund to meet the local funding requirements for the programs overseen by Social Services and \$837,115 is budgeted to be transferred to the Solid Waste Fund. These are approximately the same amounts as in FY19.

Enclosure (2) is a chart that shows the anticipated revenues, expenses and projected fund balances of the various funds at the end of FY20.

## **FACTORS SHAPING THE FY20 PROPOSED BUDGET**

The dominant factor in developing the FY20 budget was following the Board's direction of not proposing a tax increase yet fund the expected pay raise for the teachers, Constitutional Offices and County employees. The General Assembly passed a budget with a 3% pay increase for Constitutional Offices and other state supported employees and 5% for teachers. Such an increase costs the County about \$150,000 and the Schools \$750,000. The schools also requested funding for six additional positions costing \$447,000 bringing the total additional school spending to almost \$1.2 million. But additional state funding of almost \$529,000 and a reduction in Health Insurance costs of \$76,176 reduced the increase requested from local funds to \$596,687.

The Board agreed the teachers needed the pay increase and that the additional positions would assist the schools becoming fully accredited. Another significant item that had to be funded was the reassessment. It is time once again to conduct the reassessment and \$220,000 is contained in the budget for that expense. Since this expense occurs only once every six years it would be appropriate to use the fund balance to pay for this expense. That was not necessary but may need to occur to help fund ambulances for the rescue squad which is discussed below. Finally, FY20 will be the first full fiscal year to contain the new positions the Board approved for the Sheriff to implement increased security for the Courthouse.

Except for the pay increase most expenses have been held at level funding or decreased. After discussion with our Insurance Consultant I am recommending a 5% or \$50,00 increase of the

*amount dedicated to funding Health Insurance. After discussion with the Chairman I am not recommending funding either the Moton Museum or the Longwood Small Business Development Center. These are activities controlled by Longwood University whose budget is more than twice the size of our budget. It appears the Tri-County Life Learners are no longer active and I am not recommending any funds be set aside for that organization.*

*With the increased workloads in the offices of the Treasurer and Commissioner of Revenue, I am recommending an additional position be funded. Currently, these two offices share one position. The incumbent spends 6 months in each office. The additional position will allow each office to have an additional employee for all 12 months and cost about \$39,000. Because we are still in discussions to determine the additional amount the rescue squads need to fund the purchase of ambulances no funds were budgeted for that need. This can be added when the cost is finalized.*

*There are five large capital expenditure items proposed in the General Fund budget. These are (1) \$157,000 to allow the Sheriff to purchase three new cars and radar units, (2) \$82,750 to purchase computers, printers etc. - \$40,000 will be used to upgrade the operating system for the IBM AS 400 which controls the County's financial accounting system. After September IBM will no longer support the current version we use. (3) \$34,000 to purchase a pick-up truck for the new hire in Public works, (4) \$12,000 to buy a new commercial grade zero turn mower to replace one that is 19 years old and (5) \$45,000 to repave the parking lot at the Natural Resources building. There are also four capital items in the Solid Waste Fund. These are (1) \$15,000 to replace three sheds at the dump sites, (2) \$125,000 for a used bulldozer, (3) \$5,000 for repairs to the scale house, (4) \$60,000 to build a maintenance work shop at the landfill.*

*There are several other adjustments to the budget but none as large as those mentioned above. We will be reviewing the budget in great detail as we move through the budget schedule and all your questions will be answered.*

### **Conclusion**

*I look forward to our future work sessions and realize the Board may make changes to the proposed budget, that is understandable and expected. Thank you for the opportunity to present this budget for the citizens of Prince Edward County.*

Mr. Bartlett discussed several costs that will arise in the near future. He said there will be an increased cost of elections due to the changes in the voting machines. He said early voting will also impact the County as there will be a need for two to three new machines. Discussion followed.

Mr. Bartlett discussed the GPS system, the ongoing renovations and the need to update computers from Windows 7 to Windows 10. Mr. Bartlett then reviewed the Budget Presentation. He said the tax rates have not been increased.

### **In Re: Resolutions – Virginia Dam Safety, Flood Prevention and Protection Assistance Fund**

Mr. Bartlett said the County of Prince Edward is the owner of Bush River Watershed, Structure #12 (Sandy River Reservoir), which is classified as a regulated, high-hazard dam by the Virginia Department of

Conservation & Recreation, Division of Dam Safety. In order for the County, as the dam owner, to maintain its Operations & Maintenance Certificate, we must adhere to the Virginia Impounding Structure Regulations.

The State does provide a 1:1 match grant program to help dam owners with the costs to implement the state dam safety regulations. The County has two requirements it needs to complete and can apply for grant funds for both, as follows:

1. ***Recalculation of the Probable Maximum Precipitation Impact Analysis for Bush River Watershed, Structure #12:*** The Probable Maximum Precipitation (PMP) defined by NWS as “theoretically, the greatest depth of precipitation for a given duration that is physically possible over a given storm area (watershed) at a particular geographical location at a certain time of the year.” The state changed its calculation process in 2016. The cost of this engineering calculation is \$1,000. The County will apply for \$500 of grant funds to be matched by \$500 of county funds (already appropriated in the FY 19 County Budget).
2. ***Spillway Capacity/Overtopping Analysis:*** Based on the recalculation of the Probable Maximum Precipitation, the Spillway Capacity/Overtopping Analysis determines the application of risk and uncertainty to the dam overtopping due to the emergency spillway exceeding its design capacity during a storm event. The cost of this engineering calculation is \$8,000. The County may apply for \$4,000 of grant funds to be matched by \$4,000 of county funds (already appropriated in the FY 19 County Budget).

Supervisor Cooper-Jones made a motion, seconded by Supervisor Townsend, to approve the resolution for the grant application to the Virginia Department of Conservation & Recreation Virginia Dam Safety, Flood Prevention and Protection Assistance for a Probable Maximum Precipitation Impact Analysis for the Bush River Watershed, Structure #12 site, and to approve the resolution for the grant application to the Virginia Department of Conservation & Recreation Virginia Dam Safety, Flood Prevention and Protection Assistance Program for a Spillway Capacity or Overtopping Analysis located at Bush River Watershed, Structure #12 site, and to authorize the County Administrator to execute all grant documents on behalf of the County; the motion carried:

Aye:	Pattie Cooper-Jones	Nay: None
	J. David Emert	
	Llew W. Gilliam, Jr.	
	Robert M. Jones	
	Odessa H. Pride	
	Gene A. Southall	
	Jerry R. Townsend	
	James R. Wilck	

**A RESOLUTION OF SUPPORT BY THE  
BOARD OF SUPERVISORS OF THE COUNTY OF PRINCE EDWARD, VIRGINIA**

**VIRGINIA DEPARTMENT OF CONSERVATION & RECREATION  
VIRGINIA DAM SAFETY, FLOOD PREVENTION AND PROTECTION ASSISTANCE FUND  
PROJECT ENDORSEMENT RESOLUTION**

**WHEREAS**, the Virginia Department of Conservation & Recreation (DCR) Virginia Dam Safety, Flood Prevention and Protection Assistance Fund was created to help with safety, flood prevention, and the protection of dams located throughout the Commonwealth of Virginia; and

**WHEREAS**, the County of Prince Edward, as owner of Bush River Watershed, Structure #12, located five miles southeast of Farmville, VA, would like to submit a DCR Virginia Dam Safety, Flood Prevention and Protection Assistance grant application for a Probable Maximum Precipitation Impact Analysis for Bush River Watershed, Structure #12 in the amount of \$1,000; and

**WHEREAS**, the funds will be directed towards the creation of a Probable Maximum Precipitation Impact Analysis for Bush River Watershed, Structure #12 located in Prince Edward County, Virginia; and

**WHEREAS**, the required DCR 1:1 matching grant funds in the amount of \$500 will be provided by Prince Edward County, Virginia; and

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Supervisors of the County of Prince Edward, Virginia, does hereby authorize and support a grant application to the Virginia Department of Conservation & Recreation Virginia Dam Safety, Flood Prevention and Protection Assistance Program for a Probable Maximum Precipitation Impact Analysis for the Bush River Watershed, Structure #12 site;

**BE IT FURTHER RESOLVED**, that Prince Edward County, Virginia does hereby authorize the County Administrator to sign any and all necessary grant documents to execute the application, grant contract, and grant reports.

**A RESOLUTION OF SUPPORT BY THE  
BOARD OF SUPERVISORS OF THE COUNTY OF PRINCE EDWARD, VIRGINIA**

**VIRGINIA DEPARTMENT OF CONSERVATION & RECREATION  
VIRGINIA DAM SAFETY, FLOOD PREVENTION AND PROTECTION ASSISTANCE FUND  
PROJECT ENDORSEMENT RESOLUTION**

**WHEREAS**, the Virginia Department of Conservation & Recreation (DCR) Virginia Dam Safety, Food Prevention and Protection Assistance Fund was created to help with safety, flood prevention, and the protection of dams located throughout the Commonwealth of Virginia; and

**WHEREAS**, the County of Prince Edward, as owner of Bush River Watershed, Structure #12, located five miles southeast of Farmville, VA, would like to submit a DCR Virginia Dam Safety, Flood Prevention and Protection Assistance Fund grant application for a Spillway Capacity or Overtopping Analysis at Bush River Dam #12 in the amount of \$8,000; and

**WHEREAS**, the funds will be directed towards the creation of a Spillway Capacity or Overtopping Analysis for the Bush River Watershed, Structure #12 located in Prince Edward County, Virginia; and

**WHEREAS**, the required DCR 1:1 matching grant funds in the amount of \$4,000 will be provided by Prince Edward County, Virginia; and

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Supervisors of the County of Prince Edward, Virginia, does hereby authorize and support a grant application to the Virginia Department of Conservation & Recreation Virginia Dam Safety, Flood Prevention and Protection Assistance Program for a Spillway Capacity or Overtopping Analysis located at Bush River Watershed, Structure #12 site;

**BE IT FURTHER RESOLVED**, that Prince Edward County, Virginia, does hereby authorize the County Administrator to sign any and all necessary grant documents to execute the application, grant contract, and grant reports.

In Re: Prince Edward Area Firefighters Association Budget Presentations

Dallas Tinsley, Chief, Darlington Heights Volunteer Fire Department, said that the fire departments are part of the budget process but yearly they come to provide accountability of how the funding from the Board of Supervisors was spent. He said there were no major problems and no serious injuries or deaths of firefighters this past year.

Chief Tinsley said yearly payments have been made on the fire trucks; Darlington Heights just ordered a four-wheel drive urban response pumper with a down payment of \$100,000 saved over the past four years. He said along with the normal utility expenses, funds were spent on equipment for firefighter safety including turnout gear, airpaks and other safety equipment; he then said maintenance costs have increased due to the age of the existing fire trucks and response vehicles. He said the normal operating expenses have gone up; these are major expenses and not the normal day-to-day expenses. He thanked the Board for the support and said he looks forward to another successful year serving Prince Edward County. He then said the Departments are not asking for an increase in funding, with the exception of Hampden-Sydney. He thanked the Board for their continued support.

L. W. Gilliam, Chief, Hampden-Sydney Fire Department, asked the Board for an increase in funding. He reviewed several reasons, including the number of calls of service, the hours of training classes the members attend and the cost of the training which is covered by the members themselves. He said the gear for each member is over \$2,800 and must be replaced every ten years; the requested Airpaks are \$6,800 each. He said these costs do not include the costs of the trucks, tools, hoses or equipment. Chief Gilliam stated EMT training costs between \$300-\$800 per person and consists of 190 additional hours of class time after clinicals and patient contact training. He said 90% of the members are students and the department loses one-third of the membership each year; some go on to serve in other localities. He added the call volume is second only to Prince Edward Rescue Squad.

Chief Gilliam said they cannot bill for the agency as they do not have a transport vehicle. He said their funding is supplemented by fund raisers and in 2017-2018, they raised \$24,900.

Chief Gilliam reviewed expenses such as maintenance on the vehicles and workers comp, and stated the Department has been operating at a loss for several years; last year alone the net loss was \$30,315.83, for a total of \$72,658 over the last three years. He said the building also is in need of upgrades and repairs; he said they would like to get it updated in order to provide a community emergency shelter. He requested an additional \$20,000 for the Fire Department and an additional \$10,000 for the EMS, for a total of \$30,000.

Chairman Wilck asked who owns the building. Chief Gilliam said Hampden-Sydney College gave the land but the building is owned by the Department.

Chairman Wilck then asked what percentage of the firefighters are Hampden-Sydney students; Chief Gilliam said 90% are students at Hampden-Sydney.

Supervisor Townsend asked the capacity of the building; Chief Gilliam stated fifty people can be in the building. Discussion followed.

Supervisor Pride thanked the Department members for a job well done. She said she supports the increase and appealed to the constituents to help Hampden-Sydney Fire Department.

Mr. Bartlett asked if their net income includes depreciation. Chief Gilliam said it does. Discussion of the ladder truck and a replacement followed. Mr. Bartlett stated then excluding depreciation the department actually had a positive cash flow each year.

Supervisor Cooper-Jones commended the Department on how quickly they arrive to the fires and said their service is much appreciated. Discussion followed on the time it takes from the tones to arrival on scene.

Trey Pyle, Meherrin EMS Captain, reviewed the service calls run by his department; he said they have several paid members in addition to the volunteers. He said they are working on their Five Year Plan and reviewed expenses. He said total expenses for last year were \$33,213, not including utilities or payroll and insurance; the payroll is generated from what is received from the insurance. He added they receive some funding from Lunenburg County. Captain Pyle stated they receive a total of \$26,100 from Prince Edward County, Lunenburg County and the Four-for-Life program. He said they receive \$13,000 from Prince Edward County and are asking for an additional \$5,000.



Supervisor Pride said that a year ago, a tree had fallen across the road on Route 633 and she reported it and was charged a fee. Captain Pyle said it is a standard fee charged to the insurance but is soft billing.

Supervisor Townsend said he fully supports the increase and that they are using the EMS equipment in the most effective way.

Captain Pyle asked that an Ambulance Acquisition Fund be set up; discussion followed regarding the cost of a new ambulance without equipment or stretcher is approximately \$200,000-\$230,000. He said no additional funding is given to the EMS since 2000-2001 when a grant match of \$10,000 was provided by the Board.

Captain Pyle asked that \$12,000 be put into the Fund each year; it would stay in the Prince Edward County budget and build until it would then be withdrawn to pay one-third of the cost of a new ambulance. He said the other two-thirds would be covered by themselves and Lunenburg County. Discussion followed.

Mr. Bartlett asked if the current ambulance is paid for; Captain Pyle said they are making a combined payment for two trucks and will be paid off in six or seven years.

Supervisor Gilliam questioned the AS 400 system; Mr. Bartlett said it would cost too much to replace with another system at a cost of approximately a half a million dollars; IBM had planned to discontinue it but too many businesses use it. He said it needs to be updated.

On motion of Supervisor Emert, seconded by Supervisor Pride, and adopted by the following vote:

Aye:	Pattie Cooper-Jones	Nay:	None
	J. David Emert		
	Llew W. Gilliam, Jr.		
	Robert M. Jones		
	Odessa H. Pride		
	Gene A. Southall		
	Jerry R. Townsend		
	James R. Wilck		

the meeting was recessed at 6:58 p.m. until Thursday, March 28, 2019 at 2:00 p.m. in the Third Floor Conference Room, 111 South Street, Third Floor, Farmville, Virginia.